

Internal Revenue Service

Department of the Treasury

District
Director

P.O. Box 2350 Los Angeles, Calif. 90053

Person to Contact:

Telephone Number:

Refer Reply to:

Date: MAR 06 1991

Employer Identification Number:

Dear Applicant:

This is in reference to your application for exemption from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code.

In a previous contact made with your organization you were informed that it was our opinion that you did not qualify for exemption from Federal income tax as an organization described in section 501(c)(3) of the Code. We have previously informed you of your rights of appeal in this matter and if you were in agreement with our conclusions, we requested that you execute an agreement Form 6018.

You have indicated your agreement to our conclusion that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(3) of the Code by executing and returning the Consent to Proposed Adverse Action Form 6018.

Accordingly, we conclude that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(3) of the Code and, furthermore, contributions made to you are not deductible by the donors for Federal income tax purposes.

The appropriate state officials will be notified of this action as required by section 6104(c) of the Code.

Sincerely yours,

District Director

Department of the Treasury Internal Revenue Service
Consent to Proposed Adverse Action
(All references are to the Internal Revenue Code)Prepare in
Duplicate

Case Number

Date of Latest Determination Letter

Employer Identification Number

Date of Proposed Adverse Action Letter

Name and Address of Organization

I consent to the proposed adverse action relative to the above organization as shown by the box(es) checked below. I understand that if Section 7428, Declaratory Judgments Relating to Status and Classification of Organizations under Section 501(c)(3), etc. applies, I have the right to protest the proposed adverse action.

NATURE OF ADVERSE ACTION

☒ Denial of exemption☐ Revocation of exemption, effective☐ Modification of exempt status from section 501(c)() to 501(c)(), effective☐ Classification as a private foundation (section 509(a)), effective☐ Classification as a non-operating foundation (section 4942(j)(3)), effective☐ Classification as an organization described in section 509(a)(), effective☐ Classification as an organization described in section 170(b)(1)(A)(), effective

If you agree to the adverse action shown above, please sign and return this consent. You should keep a copy for your records.

If you sign this consent before you have exhausted your administrative appeal rights, you may lose your rights to a declaratory judgment under section 7428.

(Signature instructions are on the back of this form.)

Name of Organization

Signature and Title

Date

2-12-91

Signature and Title

Date

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR

DEPARTMENT OF THE TREASURY

Date: FEB. 5, 1991

Employer Identification Number:

Case Number:

Contact Person:

Contact Telephone Number:

Response Due Date:

Feb. 22, 1991

Dear Applicant:

Before we can recognize your organization as being exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. You did not include the information needed to make that determination on your Form 1024⁸, Application for Recognition of Exemption Under Section 513(c)(3) or for Determination Under Section 120. *CLM 2-4-91*

To help us determine whether your organization is exempt from Federal income tax, please send us the requested information by the above date. We can then complete our review of your application.

If we do not hear from you within that time, we will assume you do not want us to consider the matter further and will close your case. As a result, the Internal Revenue Service will treat your organization as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new Form 1024.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,

Exempt Organizations Specialist

[REDACTED]

We have reviewed your application for tax-exemption under section 501(c)(3) of the Internal Revenue Code.

Your organization is a condominium association formed to maintain the building and property owned by the members of the association as well as to pay for the water, sewer, outside lights, garbage, and insurance. Members are owners of condominium apartments in [REDACTED].

In order to qualify as an organization described in section 501(c)(3) of the Code, an organization must be both organized and operated exclusively for charitable, educational, etc. purposes as specified in that section of the Code.

In order to qualify under section 501(c)(4) of the code as a homeowners association, an organization must 1) serve a "community" which bears a reasonable recognizable relationship to an area ordinarily identified as governmental, 2) it must not conduct activities directed to the exterior maintenance of private residences, and 3) the common areas or facilities it owns and maintains must be for the use and enjoyment of the general public. Revenue Ruling 74-99.

Revenue Ruling 74-17 held that condominium homeowners associations serve the interest of the individual owners and not the community and do not qualify for exemption under section 501(c)(4) of the Internal Revenue Code. Section 528 however, can be elected by these associations. Section 528 of the Code provides that the exempt function income (homeowner dues) of the association will not be taxed under certain circumstances. Associations that elect section 528 do so by filing an annual return, Form 1120-H with their respective Service Centers.

In summary, it appears doubtful that your organization will qualify for tax-exemption under section 501(c)(3) of the Code as your organization does not benefit the general public or a charitable class (the poor, homeless, etc.). Furthermore, you do not qualify for tax-exemption under section 501(c)(4) of the Code as explained in the two Revenue Rulings. Please have an officer sign and date the enclosed Form 6018.

It appears that the section of the Code applicable to your organization is section 528, as explained above. This is not, however, an exemption you can apply for. It is merely elected on a yearly basis by filing the Form 1120-H.